

COMMUNITY AND ECONOMY

TABLE OF CONTENTS

Overview	1
-----------------------	---

Lesson 1: Circular Flow of an Economy

Lesson	3
--------------	---

Application and Extension Activities	13–19
--	-------

Lesson 2: Free Enterprise

Lesson	21
--------------	----

Application and Extension Activities	28–44
--	-------

Lesson 3: Public Goods and Services

Lesson	45
--------------	----

Application and Extension Activities	56–71
--	-------

Teacher References

Assessment	73
------------------	----

CCSS References	77
-----------------------	----

Vocabulary	80
------------------	----

COMMUNITY AND ECONOMY

OVERVIEW

Students explore their roles as citizens of a community. They are introduced to the concept of the circular flow of money and goods in an economy. They will define basic economic concepts and discuss the impact of taxes and philanthropy.

CONCEPTS

Circular flow: The “circular flow of economy activity” is a simple model of a market economy that shows the economic interactions between people and businesses.

Resources: Resources are the people and things that are needed to produce goods and services. There are three basic types of resources: natural, human, and capital. Natural resources are things that occur naturally, such as land, trees, water, and minerals. Human resources are the physical and mental efforts of workers. Capital resources are resources made by people and used to make goods and services, such as factories and tools. Money also is a capital resource.

Free enterprise: In a free enterprise system, economic decisions are made in the marketplace. People, institutions, and societies make decisions about what goods and services to produce, how to produce them, and who will get them.

Scarcity: The basic economic problem we all confront is scarcity. Scarcity is the condition of not being able to have all the goods and services that are desired because “wants” are greater than the resources available to satisfy them.

Community and Economy

Lesson 1:

Circular Flow of an Economy

Lesson 2:

Free Enterprise

Lesson 3:

Public Goods and Services

Application and Extension Activities

Lesson 1:

Circular Flow Game
My Business
Discovering Character Traits
Code of Ethics

Lesson 2:

What Is Free Enterprise?
Jim's Popcorn
Daydream
Economic Freedoms Poster
Family Resources

Lesson 3:

Word Search
Public and Private Goods and Services
Philanthropy

CONTENT STANDARDS

Whenever applicable, the standards recommended by the Common Core State Standards Initiative will be referred to in the lesson title using the abbreviation CCSS, followed by the subject, the grade, and then the strand and skill numbers. For example, CCSS LA 5 RI 7, is **Common Core State Standard for Language Arts, Grade 5, Reading for Informational Text, skill 7**. The abbreviation NCSS refers to the curriculum standards created by the National Council for the Social Studies. The expanded standards can be found in the Teacher References section at the end of the unit for easy reference. State specific standards for English Language Arts, Mathematics, and Social Studies can be found at <https://www.juniorachievement.org/web/ja-usa/correlations>.

PREPARATION

To prepare for this unit about community and economy, look in the classroom kit for the appropriate posters and games. They are: **Circular Flow Poster**, **Government in an Economy Poster**, **Circular Flow Cards**, and **Money Cards**. Consider placing the items in a separate folder for easy access.

Read through each lesson before you teach it so you can choose the activity and instruction pieces you will present. Activities and application activities are designed to be somewhat interchangeable so that you can choose which ones best suit the needs of your class. Extension activities provide additional learning opportunities on a related topic or concept. Plan for each class session to be about 50 minutes.

ASSESSMENT

An assessment is provided that covers the core concepts for this unit. It will need to be copied and distributed to students or projected so they can read it on the board and write their answers on a blank sheet of paper. The **Community and Economy Assessment** is provided on Pages 73–74 in the Teacher References. The answer key immediately follows.

COMMUNITY AND ECONOMY

Lesson 1: Circular Flow of an Economy

LESSON CONCEPTS

Participants of *JA BizTown* will receive the rights and privileges granted to all members of society. They will be able to earn and spend money, open a savings account, go to work, and take a break from working. This lesson will help them understand those rights and responsibilities, as well as their place in an economy.

INQUIRY: What is an economy, and how does it work?

LEARNING OBJECTIVES

Students will:

- Define various vocabulary terms.
- Explain the communal responsibility of good citizenship.
- Identify and distinguish among goods, services, and resources (human, natural, and capital).
- Demonstrate the circular flow of an economy.

MATERIALS

☐ Citizen Guides



☐ Circular Flow Poster (kit) (Hang in the classroom or project the digital asset.)



☐ Illustration CE-1A, **JA BizTown Citizen Pledge**

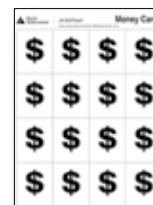


☐ Illustration CE-1B, **Circular Flow**



☐ Stick-on name tags, response boards, scratch paper, or other material for signs, or use Resource CE-1C, **Resources for Lemonade**

☐ **Money Cards** (kit), optional



Teacher Note

If your class has a firm grasp of the concept of community, you may want to use the citizen pledge to set the stage for the lesson. It will take longer than 5 minutes.

Vocabulary

Citizens

Members of a town, city, county, state, or country. Citizens have certain rights and responsibilities.

Community

A place where people live, work, trade, and share.

SETTING THE STAGE | 5 minutes

Tell students that *JA BizTown* is a community, and it has similarities to other communities. Define a **community** as a place where people live, work, trade, and share. Members of a community are called **citizens**, and they have certain rights and responsibilities.

Ask the students, “As citizens of a community, what do you have the right to do?” (Answers will vary but may include: go to school, own property, speak your mind.)

Explain that along with their rights, citizens also have certain responsibilities, including voting and following the law.

- Do you have responsibilities at school or at home? (Answers will vary: study and do homework, set the table, walk the dog, do laundry.)
- What character traits do you need to fulfill those duties? (Possible answers: honesty, responsibility, dependability.)

ACTIVITY | 10 minutes**Citizen Pledge**

NCSS VI.a

1. State that the students will have rights and responsibilities when they are at *JA BizTown*. Those rights and responsibilities may be similar to those they have in their classroom.
2. Ask for examples of classroom or community rights and responsibilities. A **right** is the freedom to act in a certain way. Such rights include the freedom to say what we think, believe what we want, and set our own goals. A **responsibility** is being accountable for one's own actions and obligations. Example: People have free speech, which is the right to say what they think, but they have the responsibility not to say hateful, dangerous, or untrue things.
3. Display or project Page 6, Illustration CE-1A, **JA BizTown Citizen Pledge**, and have the students view the pledge in the **Citizen Guide**, Page 29.
4. Have students stand and read the pledge aloud as a group, holding their right hands up. Congratulate them and have them sign the pledge in their guides.
5. Explain that citizens have the right to elect political representatives and the responsibility to vote. Ask them to complete the **JA BizTown Voter Registration Card** at the bottom of the pledge page.
6. Congratulate your class on becoming *JA BizTown* citizens. Let them know that from now on, they will be referred to in class and in the *JA BizTown* program as "citizens" as a reminder of their new status.

Vocabulary**Responsibility**

The quality of being dependable.

Right

The freedom to act in a certain way.



JA BIZTOWN CITIZEN PLEDGE

As a citizen of JA BizTown, I pledge to:

- Respect all citizens.
- Be responsible and honest.
- Tell the truth.
- Work and take breaks at assigned times.
- Help other citizens.
- Vote.
- Obey the rules and laws of JA BizTown.
- Pay taxes to JA BizTown.

Citizen Alert!

People must
register to vote.



I promise to fulfill my duties as a citizen of JA BizTown.

(signature)

(date)

JA BizTown Voter Registration Card

First Name

Last Name

Street Address

City

State

Date of Birth

Place of Birth

Are you a citizen of JA BizTown? Yes No

Date

Signature

ACTIVITY | 25 minutes**Lemonade Stand**

CCSS LA 4/5/6 SL2; NCSS VII.g

OPTION: For a more active approach to this concept, see Page 13, Application Activity 1, **Circular Flow Game**.

In this activity, two citizens model the concept of the circular flow of an economy by pantomiming the process of opening a lemonade stand and involving other class members. Choose two outgoing and capable citizens to play the roles.

1. Tell the class that one of the rights citizens have is to own a **business**. A business is a company that sells goods or provides services.
 - A system in which citizens own businesses and make economic decisions is called **free enterprise**.
 - The “free” means economic decisions are made by people and businesses, with little government influence.
 - Businesses are free to sell what they want, and people are free to buy what they want.
 - Let’s find out how a business works!
2. Distribute a few **Money Cards** from the kit (optional—this can be pantomimed) and one name tag or sign material (response board or scrap paper) to each citizen, or cut and distribute the resources from Page 11, Resource CE-1C, **Resources for Lemonade**.
3. Announce that two designated citizens want to open a lemonade stand. (You can insert your students’ names.) You will be introducing the term entrepreneurs later in this lesson.
4. To have a good to sell, the entrepreneurs will need some things. These things are called **resources**. Define resources as the people and things needed to make **goods** or provide **services**. Define goods and services. Ask the classroom citizens to write down on their signs or name tags one thing the entrepreneurs will need to make lemonade. (water, sugar, lemons) What might the entrepreneurs exchange to get these resources? (money)
5. Invite the entrepreneurs to choose a few necessary resources for their lemonade stand among those written on the citizens’ signs. They should look for **natural resources**, those things which occur naturally. (water, lemons, sugar from sugar cane.) Have the entrepreneurs pantomime paying for these resources and

Teacher Note

If citizens have little experience making lemonade, display or distribute Page 11, Resource CE-1C, Resources for Lemonade.

Vocabulary**Business**

A company that sells goods or services.

Free enterprise

A system in which economic decisions are made by people and businesses, with little government influence.

Goods

Things people buy and use.

Natural resources

Things that occur naturally and that are used to make goods or provide services.

Resources

The people and things needed to produce goods and services.

Services

Work done for others, such as haircuts or car repairs.

Vocabulary

Capital resources

Things made by people and used to produce goods or offer services—a factory for example.

Circular flow

A model of the movement of goods, services, resources, and money in an economy.

Consumers

People who buy and use goods and services.

Entrepreneur

A person who uses resources to start a business.

Human resources

The labor, skills, and abilities of workers.

Digital Asset Note

Project the digitized **Circular Flow Poster** to help explain how money and resources flow through a town or city.

then have the chosen citizens bring the signs with the selected resources to the stage.

6. Ask your citizens what containers the entrepreneurs might use to make their lemonade and then serve it. (pitcher, bowls, cups, spoons, juicer) These items made by people and used in businesses are **capital resources**. Ask, How will the entrepreneurs get these capital resources? (buy them with money—note that money itself is not a capital resource)
7. Invite the entrepreneurs to find classmates who have written down capital resources such as a pitcher or glasses. Have them pantomime paying for these things and bring their capital resources (the citizens and their signs) to the stage with them.
8. Announce that the entrepreneurs are now ready to open their business. They are acting as entrepreneurs. Define an **entrepreneur** as someone who starts a business and organizes resources to take advantage of them. The entrepreneurs provide lemonade as a good to the people in their community. Have the entrepreneurs pantomime making lemonade and selling it to the class. What will the people exchange to get the lemonade? (Money. The entrepreneurs may want to set a price per glass for their lemonade.)
9. Reinforce the concept of **circular flow** by saying that the business will sell its good (lemonade) to people. The people buying the goods are called **consumers**. Consumers pay money to the business for the goods.
10. Remind the class that to get their business started, the entrepreneurs needed resources. They paid money to the people to get the resources. Have the entrepreneurs point out the classmates who provided resources.
11. Ask your citizens to imagine that the entrepreneurs sold great lemonade and their business is growing. They will need to hire some workers to produce and sell their lemonade. These people will be the **human resources** that will help the entrepreneurs create a successful business. Have the entrepreneurs choose a few more citizens to come work in their business. What will the entrepreneurs provide to these people in exchange for their work? (money)
12. Display or project the **Circular Flow Poster** or show Page 10, Illustration CE-1B, **Circular Flow**. Explain to the class that this is a diagram of the circular flow of an economy that they have just

Vocabulary**Trade**

The exchange of money, goods, and resources in a market economy.

witnessed. Briefly review the following as you track the arrows on the poster:

- The entrepreneurs own a business selling lemonade. They provide a good (lemonade) to the people. Arrow A represents that exchange.
 - Citizens pay money for the good. That is arrow B.
 - People provide natural and human resources for the lemonade business. That is arrow C.
 - The entrepreneurs pay for these resources. That is arrow D.
 - All of these exchanges demonstrate **trade**.
13. Citizens should turn to their guides, Page 30. Working in small groups, they will write the words: goods and services (arrow A), resources (arrow C), and money (arrows B and D) on the appropriate arrows. Alternately, have them list on the arrows the names of goods and resources, such as those demonstrated in the class exercise or shown on the poster.

NEED MORE PRACTICE? Check out Page 14, Application Activity 2, **My Business**.

Fourth-Grade Variance

Working in small groups, have citizens fill in the arrows to show the exchange of goods and services demonstrated in the role-play exercise. They should write items like lemons, water, and workers in the resources arrow (arrow C) and lemonade in the goods arrow (arrow A).

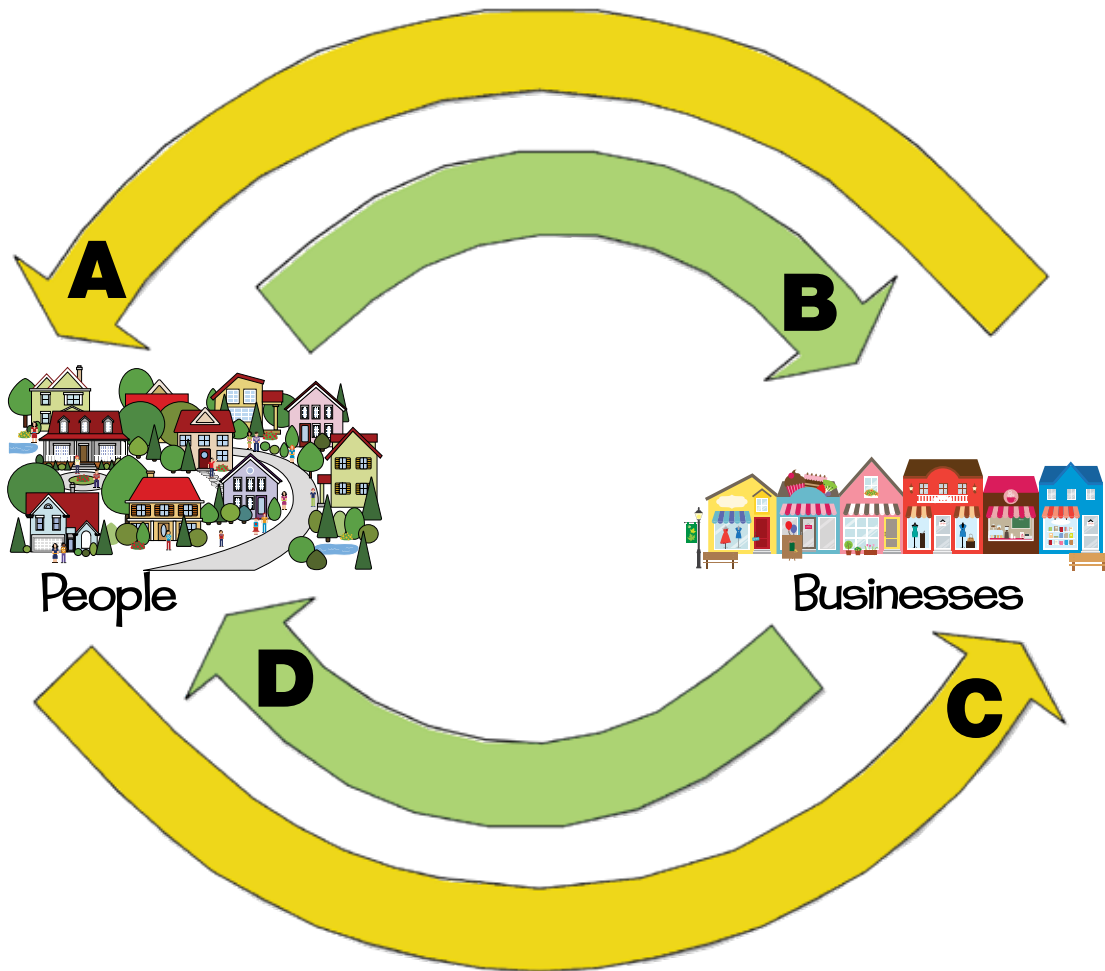
Sixth-Grade Variance

Encourage citizens to be creative and come up with a new business. What would they provide? What would they need? These goods and resources should be written on the arrows that show the flow of economic activity for their proposed business.



CIRCULAR FLOW

Name _____



Citizen Alert!

JA BizTown has a circular flow, too!



RESOURCES FOR LEMONADE



Materials Note

The activity in Lesson 2 calls for paper, markers, and a stapler for each group of three to four citizens. Gather staplers from other classrooms to make sure you have enough. One of the extension activities requires art supplies for making a poster.

SUMMING IT UP | 5 minutes

Ask for volunteers to answer the following questions:

- What is a community? (a place where citizens live, work, and share)
- What do citizens have in a community? (rights and responsibilities)
- For what purpose do citizens use resources? (to produce goods and services)
- What are the three types of resources? (human, natural, and capital)
- What is exchanged in an economy? (money, goods, services, and resources)
- What does the circular flow model show? (economic activity in an economy)

OPTION

Move on to Lesson 2, which begins on Page 21, or choose an application activity to give citizens further practice and to reinforce concepts.

- Application Activity 1 is a more active option for teaching the circular flow concept.
- Application Activity 2 provides more practice with the concept of free enterprise.
- Extension Activity 1 offers citizens an opportunity to consider how good character traits can improve their community.
- Extension Activity 2 offers citizens an opportunity to find out about business ethics.

CHECK IT OUT! DAY FOUR

Today's beginning balance: \$32.39

You complete your chores for the week. Your mother makes an electronic deposit of \$15.00 into your mobile checking account.

You bought a toy for your dog at Bow Wow Wow! using your debit card. The cost is \$2.70. (Ending balance is \$44.69)

APPLICATION ACTIVITY 1 | 20 minutes

Circular Flow Game

NCSS VII.g

MATERIALS

- ❑ **Circular Flow Cards** (kit)
- ❑ **Money Cards** (kit)



In this game, citizens will physically walk through the circular flow of an economy by exchanging goods and services and resources and money.

1. Divide the class into two groups: businesses and citizens. Distribute two **Circular Flow Cards—Goods and Services** to each businessperson. Give two **Circular Flow Cards—Resources** and two **Money Cards** to each citizen.
2. Stand in the front of the classroom and indicate it is the location of the Goods and Services Market as depicted on the **Circular Flow Poster** or digital asset. Invite all businesses and citizens to come to the market and make exchanges. Give the citizens about 2 minutes to use their **Money Cards** to “buy” goods from the businesses, exchanging one **Money Card** for one **Goods and Services Card**.
3. Point out that businesses provide goods and services (flow arrow A), and citizens pay money to businesses for those goods and services (flow arrow B).
4. Move to the back of the room. Explain that this is the Resources Market. Invite the businesses and citizens to come to the market so businesses can exchange **Money Cards** for citizens’ **Resource Cards** to keep their businesses going.
5. Point out that this time citizens provide their resources (such as labor) to businesses (flow arrow C), and businesses pay money to citizens for those resources (flow arrow D). Money in a market economy flows from businesses to citizens and back again.
6. If time allows, play another round.

Teacher Note

The goods and resources cards in this game are used in two different markets—the goods and services market and the resources market. They are not all intended to match. For example, there is a resource of an apple tree. But no apples are needed as a resource by a particular business, so an exchange may not be made.

APPLICATION ACTIVITY 2

My Business

CCSS LA 4/5 SL3

MATERIALS

- ❑ Illustration CE-1D, **My Business**
- ❑ **Citizen Guides**

1. Ask citizens to think about what it would be like to be an entrepreneur and start a business. What would they sell? What service would they provide? Their business would provide private goods and services because they are private citizens (not the government).
2. Have the class turn to their guides, Page 31, **My Business**. (A copy is on Page 15.)
3. Decide if each citizen will create his or her own business, or if he or she will work in pairs. (This activity would also make a good homework assignment.)
4. Instruct the class to complete the page and, if time allows, have volunteers talk about their business ideas.



MY BUSINESS

The name of my business: _____

The good or service I want to provide: _____

Natural resources I need:

- a. _____
- b. _____
- c. _____

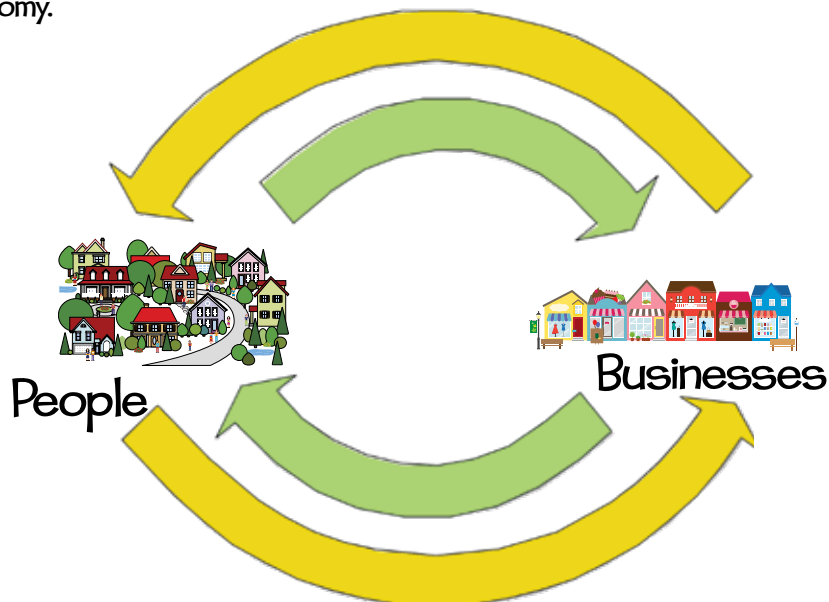
Capital resources I need:

- a. _____
- b. _____
- c. _____

Human resources I need:

- a. _____
- b. _____
- c. _____

Using a circular flow chart, show how your business would demonstrate the circular flow of an economy.



EXTENSION ACTIVITY 1 | 15 minutes**Discovering Character Traits**

CCSS LA 4/5 W 4

MATERIALS

- ❑ Paper for making lists

1. Divide citizens into groups of four to six citizens each. Appoint or have each group appoint a reporter and a recorder.
2. Ask half the groups to make a list of character traits that good citizens possess; ask the remaining groups to compile a list of traits that apply to good businesses. (Examples: Citizens should be tolerant of others' beliefs; businesses should strive to treat their customers with respect.)
3. After 5–10 minutes, ask citizens to report some of those traits while you record their responses for the class.
4. Compare the two lists, noting similarities and differences. Reinforce the idea that citizens with good character help create good businesses and that good citizens and good businesses often share similar traits.

EXTENSION ACTIVITY 2 | 10 minutes

Code of Ethics

CCSS LA 4/5 W 4

MATERIALS

- ❑ Illustration CE-1E, **Code of Ethics** (example)
- ❑ Paper and pencils

Introduce this activity by reminding the citizens that they have a responsibility to *JA BizTown* and to the communities where they live. Responsible citizenship is expected of them.

1. Discuss the meaning and importance of **civic virtue**. Civic virtues are personal habits and attitudes that promote the well-being of a group.
2. Point out that organizations exist to promote the idea of civic virtues; for example, the Boy Scouts and Girl Scouts of America. Ask for volunteers to give other examples. (churches, schools, civic organizations)
3. These organizations usually have a pledge or a code of ethics. The organization's members promise to do their best to help others at all times.
4. Define **ethics** as rules or standards that help determine what is good, right, and proper.
5. Ask citizens to call out characteristics, virtues, and ethics that promote citizenship. Write these suggestions on the board.
6. Divide the citizens into small groups and assign them to write their own code of ethics for *JA BizTown*. Use Page 19, Illustration CE-1E, **Code of Ethics** (example).
7. Give groups 5 or more minutes to write their code of ethics, using ideas from the board.
8. Ask each group to recite their code.

Vocabulary

Civic virtue

Personal habits and attitudes that promote the well-being of a group.

Ethics

Standards that help determine what is good, right, and proper.

9. Ask the citizens if they could have done this task alone. Emphasize that they were more successful with the assignment because they worked as a team, each member contributing to the group. Teamwork helps a group display good virtues.

Fourth-Grade Variance

Ask the small groups to explain how civic virtues play out in their daily lives. Using traits like honesty, responsibility, respectfulness, and motivation, each group should make a page with two columns and write “looks like” and “sounds like” as headings.

Give the groups 5 minutes to list as many items as they can. For example, a respectful worker will smile at customers (looks like) and say, “May I help you?” (sounds like).

CODE OF ETHICS (example)

As a businessperson and citizen of *JA BizTown*, I promise to be:

- ☐ honest
- ☐ responsible
- ☐ respectful
- ☐ motivated

in my business and personal dealings with all
customers, producers, and citizens.

I realize that my civic virtue and good
reputation are important to my personal and
business success, both now and in the future.

COMMUNITY AND ECONOMY

Lesson 2: Free Enterprise

LESSON CONCEPTS

JA BizTown is a free enterprise economy. Businesses produce goods and services for citizens, who in turn supply their labor and other resources to support the businesses. These transactions occur freely, with minimal intrusion by government. In this lesson, citizens will experience an activity that teaches them the basics of free enterprise and allows them the opportunity to produce goods and services.

INQUIRY: How does a free enterprise system work?

LEARNING OBJECTIVES

Citizens will:

- Discover the function of businesses in producing goods and services.
- Define scarcity.
- Understand more about free enterprise.
- Identify the three basic economic questions (what, how, and for whom to produce).

MATERIALS



- ❑ Illustration CE-2A, **Basic Economic Questions**

- ❑ Distribute to each group of three to four citizens:
 - Five sheets of white or colored paper
 - One pair of scissors
 - One crayon or marker
 - One stapler

SETTING THE STAGE | 5 minutes

- Remind citizens about the previous lesson, pointing to the **Circular Flow Poster** and reviewing the flow of goods, services, resources, and money in an economy.
- Ask them if they have ever thought about selling goods or services. Announce that today they will have the opportunity to sell a good or service.

ACTIVITY | 35–40 minutes**Free Enterprise**

CCSS LA 4/5 W 2.d; NCSS VII.a; VII.c

1. Explain that the circular flow of goods, services, resources, and money defines a free enterprise economy. Remind citizens that free enterprise is a system in which there is competition among businesses, with prices determined by the interaction between consumers and businesses with little government influence. Remind citizens the word “free” does not refer to cost. It means there are few restrictions on what businesses sell and what people buy.

FIND OUT MORE about Economic Freedoms. Check out Page 37, Extension Activity 1, **Economic Freedoms Poster**.

2. Divide the class into no more than eight groups of three or four citizens each. Give each group five sheets of white or colored construction paper, one pair of scissors, one crayon or marker, and a stapler.
3. Explain that each group will use these resources to produce something to sell, a **product**. Each citizen will be a **producer**. These producers may not use additional resources other than their human resources (skills and labor). Allow 2 minutes for the groups to decide what to produce and to give their good a name.
4. Allow the groups 3 minutes to manufacture a **prototype**—or model—of their good.
5. Have groups share with the class what goods they will produce. Project or display Page 25, Illustration CE-2A, **Basic Economic Questions**. Write the name of each group’s good in the first column of the illustration.
6. Allow 10 minutes for groups to produce as many of their prototype goods as they can.
 - Replenish paper but do not distribute anything more.
 - When time for the activity ends, have citizens put their materials in the middle of their work area.
 - Ask the groups to report how they organized their members to produce their goods.

Teacher Note

If citizens struggle to get organized as a group, suggest members operate as craftspeople, with each worker doing all the work, or as an assembly line, with each worker doing one or two steps of the process.

Vocabulary**Producer**

A person who creates or supplies goods or services.

Product

A good produced and offered for sale.

Prototype

A model or sample of a good to be produced.

Vocabulary

Profit

The money that is left over after a business pays all its costs.

Scarcity

A situation in which people cannot have everything they want because of limited resources.

7. Enter a brief description of each group's decision in the second column of Illustration CE-2A. Point out that businesses have the right to make decisions about how to use their resources so they make a **profit**. Define profit as the money left over after a business pays all its costs.
8. In the third column, write how many goods each group produced. In the final column, write a number that is higher than the goods produced.
9. Explain that a problem exists. Point out that all groups have not produced enough goods for all the people who want them.
10. Describe this problem as **scarcity**, a situation in which people can't have everything they want because of limited resources.

FIND OUT MORE about scarcity. Check out Page 39, Extension Activity 2, **Family Resources**.

11. Debrief the activity by explaining that all societies have limited resources, so businesses must decide three things: what to produce, how to produce, and for whom to produce. Discuss the following:
 - How did you decide what to produce?
 - How did you organize your resources to produce? Would many people working together produce more than one person doing it all?
 - Who should receive the goods if there aren't enough for everyone? Should they go to the smartest, the richest, or the people who need them the most?
 - In a free enterprise economy, who makes the decisions about what will be made, how they will be made, and for whom they will be made? (businesses and consumers, through the act of selling and buying)

NEED MORE PRACTICE with free enterprise? Check out Page 28, Application Activity 1, **What Is Free Enterprise?**

BASIC ECONOMIC QUESTIONS




What's the name of your product? (What to produce)	How did you organize your resources? (How to produce)	How many did you produce in 10 minutes?	How many do people want? (For whom to produce)

Material Note

In the next lesson, plan to send home the Family Newsletter. There is also a unit assessment to copy and distribute at the end of Lesson 3.

SUMMING IT UP | 5 minutes

By a show of thumbs up or thumbs down, ask citizens to agree or disagree with the following statements:

-  The three basic economic questions faced by an economy are: What to produce? How to produce? How much to charge? (False, thumbs down. The correct questions are: what, how, and for whom to produce? How much to charge is a concern of businesses after the production of goods.)
-  Economies face these questions because of scarcity. (True, thumbs up.)
-  Free enterprise is a system in which economic decisions are made by people and businesses. (True, thumbs up.)

Sixth-Grade Variance

NCSS VII.g

Encourage citizens to apply the knowledge gained in this lesson to a real-world problem. Ask if they can give examples of scarcity, profit, and free enterprise.

Ask, How does a specific company decide what to produce, how to produce, and for whom to produce?

OPTION

Move on to Lesson 3, which begins on Page 45, or choose an application activity to give citizens further practice and to reinforce concepts.

- Application Activity 1 provides more practice with the idea of free enterprise.
- Application Activity 2 reviews vocabulary.
- Extension Activity 1 offers an overview of economic freedoms.
- Extension Activity 2 provides a concrete activity focusing on scarcity.

CHECK IT OUT! DAY FIVE

Today's beginning balance: \$44.69

You went shopping with friends today and bought noisy party favors for your Fourth of July party. You wrote a check to Bash Blasts for \$9.45.

You then went to Dan & Deb's Duds to buy a new shirt for the party, spending \$14.35 with your debit card.

(Ending balance is \$20.89.)

APPLICATION ACTIVITY 1 | 20–25 minutes**What Is Free Enterprise?**

CCSS LA 4/5 W 1.b

MATERIALS

- ☐ Illustration CE-2B, **Free Enterprise**
- ☐ Illustration CE-2C, **What Is Free Enterprise?**
- ☐ **Citizen Guides**

1. Remind citizens that in a free enterprise system, businesses have the freedom to make decisions about what to produce, how much to produce, and for whom to produce. Likewise, consumers are free to buy property and goods and invest their money as they see fit.
2. Project or display Page 29, Illustration CE-2B, **Free Enterprise**, and read through the examples of economic freedoms with your class.
3. Ask for volunteers to choose one of the economic freedoms and pantomime it for the class. The citizen who correctly guesses which freedom was acted out has the option of doing a pantomime or choosing someone else to perform a different economic freedom.
4. Discuss with your class how these freedoms relate to the circular flow of economic activity. Point out that anytime someone buys or sells something, they are participating in the economy.
5. Allow citizens time to complete their **Citizen Guides**, Page 32, **What Is Free Enterprise?**, on their own or as a homework assignment. A copy of that page, Illustration CE-2C, is on Page 30. (The answer key is on Page 31.)

FREE ENTERPRISE

Our economic freedoms include:

OWNING PROPERTY

People are free to own:

- Houses
- Farmland
- Vacation homes
- Office and apartment buildings
- Other kinds of property, such as cars, TVs, and boats



BUYING AND SELLING

- People spend their money on things they want.
- Businesses sell things they believe consumers want to buy.
- Successful businesses adapt to sell what customers want.



INVESTING

People have the right to invest in a business.

- Many people use their savings or borrow money to start a business.
- People invest their money in other businesses, either directly or through the stock market.
- Business owners seek to earn money by selling goods and services for more than it cost to make or provide them.



WORKING

People decide where and how to work.

- People choose to work, go to college, or attend a trade school.
- People have the right to choose their future careers.
- If people want to work part time rather than full time and businesses want to hire them, they both have the right to do so.





WHAT IS FREE ENTERPRISE?

Name _____

In a free enterprise system, businesses have the freedom to make decisions about what to produce, how much to produce, and for whom to produce. Likewise, consumers are free to buy property and goods and invest their money as they see fit. A free enterprise system provides various economic freedoms to Americans.

- People have the freedom to own property, such as land, houses, and cars.
- People have the freedom to buy and sell goods and services.
- People have the freedom to invest in a business and to earn a profit.
- People have the freedom to choose where and how to work.

Write a sentence about how your family might use each economic freedom to:

1. Own property: _____

2. Buy and sell goods and services: _____

3. Invest in a business to earn a profit: _____

4. Choose where and how to work: _____

Citizen Alert!

A free enterprise economy is also called a market economy. Guess why!





WHAT IS FREE ENTERPRISE?

Name _____

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- People have the freedom to buy and sell goods and services.
- People have the freedom to invest in a business and to earn a profit.
- People have the freedom to choose where and how to work.

Write a sentence about how your family might use each economic freedom to:

1. Own property: **My family bought a used car.**

2. Buy and sell goods and services: **My family bought fruits and vegetables from local farmers.**

3. Invest in a business to earn a profit: **My family used its savings and started a small flower shop. My family purchased stock in Apple Inc.**

4. Choose where and how to work: **My parent went to work for the electric company when it offered him a good job as a meter reader.**

(Student responses will vary.
Above answers are samples.)

Citizen Alert!

A free enterprise economy is also called a market economy. Guess why!



APPLICATION ACTIVITY 2 | 15 minutes

Jim's Popcorn Daydream

CCSS LA 4/5 L 6

MATERIALS

- ☐ Illustration CE-2D, **Jim's Popcorn Daydream**
 - ☐ The story "Jim's Popcorn Daydream"
 - ☐ **Citizen Guides**
1. Tell the citizens that in this activity, they will practice and expand the vocabulary they have learned in Community and Economy. As you read the story to them, they are to listen for the vocabulary words and give a thumbs up when they hear one.
 2. Project or display Page 35, Illustration CE-2D, **Jim's Popcorn Daydream**, to provide a list of the vocabulary words. (The answer key is on Page 36.)
 3. Read the story. As each vocabulary word is read, stop to identify it and define the word as necessary.
 4. Have citizens write the number of the matching definition on the appropriate blank in the **Citizen Guide** on Page 33, either as the story progresses or to check for understanding after the story has been read.
 5. At the end of the activity, ask volunteers to relate how Jim's daydream mirrors a free enterprise system.

Simulation Connection

Many citizens are curious about what the day at *JA BizTown* will be like. This story offers a glimpse into what the day is like for a *JA BizTown* citizen.



JIM'S POPCORN DAYDREAM



Jim could not wait to go to *JA BizTown*! He daydreamed about being a **consumer** and could see himself walking around town using his debit card to buy goods at the town's businesses.

As Jim put his homework into his backpack, he thought about being an **entrepreneur**. He had learned that **entrepreneurs** are people who start **businesses** and use **resources** to provide **goods and services** to **consumers**.

Jim thought he might like to start his career in the *JA BizTown* restaurant as a **producer**, making and selling popcorn to other *JA BizTown* **citizens**. He knew that in an economy based on **free enterprise**, businesses decide what price they charge for their **goods and services**.

Jim decided he would charge a penny for each bag of popcorn. After all, pennies were easy to count and stack. Then he considered all the work that needed to be done. He would have to fill the popcorn machine with popcorn kernels, dump out the hot popcorn, salt it, and fill the bags with freshly popped corn. He would have to serve the **consumers** promptly, take their pennies, operate the cash machine, and clean up. Wow. There was a lot a **producer** had to do—especially for only one penny. Charging a penny for each bag of popcorn might not be a good idea.

"Who wants one little penny for all of that work?" he grumbled, as he headed downstairs to watch a movie.

Just as he was settling onto the couch, Jim had an idea!

"Everyone loves popcorn, and we couldn't make enough for everyone," he thought. He remembered his teacher had called the situation **scarcity** when people can't have everything they want due to limited resources.

"I'll charge \$10 and make even more money. I'm a genius." Jim knew that with that much money coming in, his business could pay its business costs and earn a **profit**.

"I'll be rich!" Jim thought to himself.

Just then, Jim's mom brought in a big bowl of fresh popcorn and sat beside him. The two enjoyed buttery handfuls of popcorn as the movie started. Jim, however, kept thinking about his imagined plan to be a

popcorn **producer** at *JA BizTown*. He pictured what he'd say to his mother when she walked into his **business** to buy popcorn.

"Hello, Mrs. Thomas. Would you like a bag of popcorn? It's nice and fresh. Yes? Great! That will be \$10 please."

Suddenly, Jim's picture of himself as an **entrepreneur** took a dramatic turn...

"How much money did you say?," asked his mother. "Who's going to pay that much money for a bag of popcorn?"

Jim realized he had spent too much time thinking like a **producer**. But he realized he had to think like a **consumer**, too. After all, he regularly consumed **goods and services**.

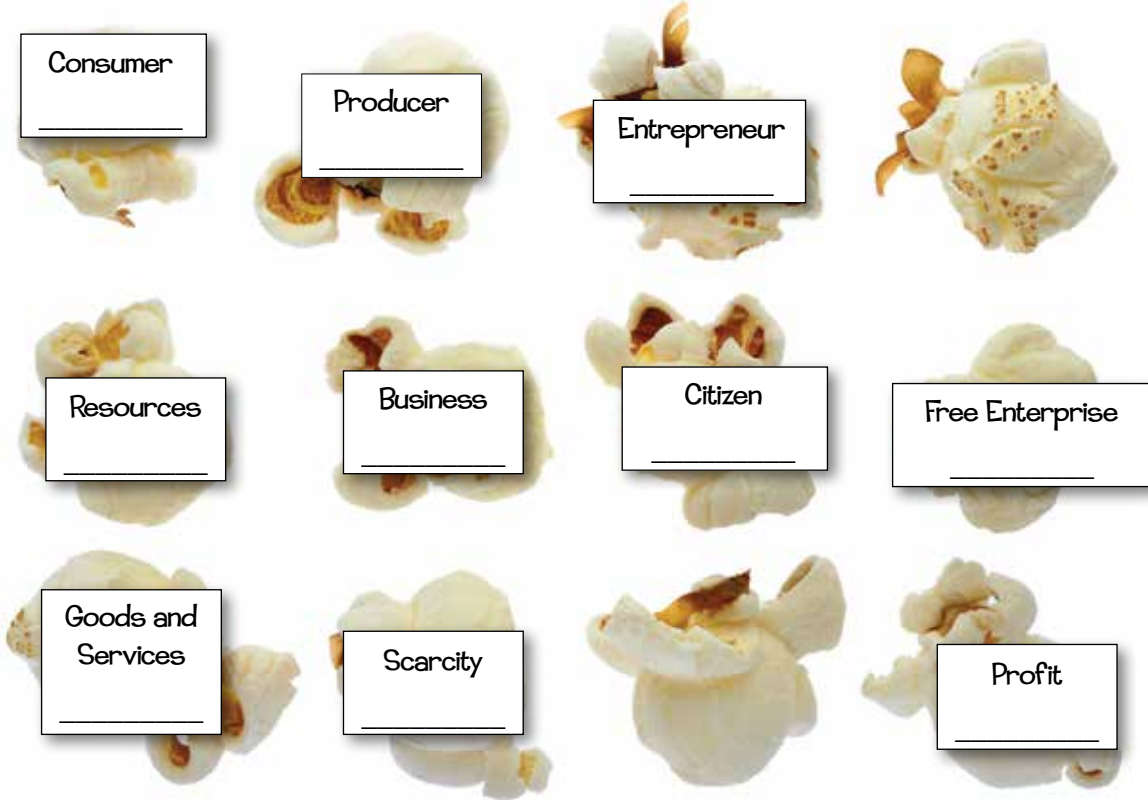
He also knew that **producers** need **consumers** to buy their **goods and services**. After all, if no one buys the goods, **businesses** can't meet their costs. **Businesses** need customers. *JA BizTown*'s restaurant would need customers, too.

Jim realized he needed to rethink the price of his popcorn. If a penny a bag was too little and \$10 too much, maybe \$1 was just about right. That price would mean good sales and a **profit**.

Jim smiled. Now he was thinking like both a **producer** and a **consumer**. He was on track to succeed with his new **business**!



JIM'S POPCORN DAYDREAM



1. People and things used to produce goods and services.
2. Merchandise and skills offered for a price.
3. An economy in which economic decisions are made in markets.
4. A situation in which people can't have everything they want due to limited resources.
5. The money that is left over after a business pays all its costs.
6. Someone who makes goods or offers services that will be sold.
7. A person who uses resources to start a business.
8. A company that sells goods or services.
9. Someone who buys and uses goods and services.
10. A member of a town, city, county, state, or country.



JIM'S POPCORN DAYDREAM

Consumer

9

Producer

6

Entrepreneur

7

Resources

1

Business

8

Citizen

10

Free Enterprise

3

Goods and
Services

2

Scarcity

4

Profit

5

1. People and things used to produce goods and services.
2. Merchandise and skills offered for a price.
3. An economy in which economic decisions are made in markets.
4. A situation in which people can't have everything they want due to limited resources.
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9. Someone who buys and uses goods and services.
10. A member of a town, city, county, state, or country.

EXTENSION ACTIVITY 1 | 45 minutes

Economic Freedoms Poster

CSS LA 4/5 SL 5

MATERIALS

- ❑ Art supplies, such as poster board, paints, and markers.
 - ❑ Illustration CE-2B, **Free Enterprise** (optional)
1. Explain that the circular flow of goods, services, resources, and money defines a free enterprise economy. The “free” before enterprise doesn’t mean that it doesn’t cost money. It simply means businesses and consumers are free to make their own choices of what to sell or buy. This is important to the American economy. A free enterprise system provides economic freedoms to Americans.
 2. Discuss each freedom afforded by a free enterprise system. Use Page 29, Illustration CE-2B, **Free Enterprise**, if you would like to show a visual aid.
 - **Freedom to own property:** People are free to own houses, farmland, vacation homes, and office and apartment buildings. People also are free to buy and own other kinds of property, such as cars, TVs, and boats.
 - **Freedom to buy and sell goods and services:** People can spend their money on things they want, and businesses can sell things that they believe consumers want to buy. Successful businesses adapt to sell what customers want. Remind citizens that the money businesses earn from sales is their revenue. It is the earnings gained from sales, calculated by multiplying the price of the good by the amount sold.
 - **Freedom to invest in a business with the intent of earning a profit:** Many people use their savings or borrow money to start a business. Remind citizens that people who start businesses are called **entrepreneurs**. Think about all the businesses that have people’s names on them! Businesses seek to earn a profit, which is the money left over after all expenses have been paid. For example, if a business sold a hot dog for \$2.00 that cost \$1.50 to produce, it would earn a profit of 50 cents.

Teacher Note

This activity may appeal to the more visual and artistic members of your class. If you prefer not to do an art project, have citizens work in pairs and use a computer to make a collage representing one of the economic freedoms. Also consider using this activity during art class.

- **Freedom to choose where and how to work:** People might go to work after high school. People attend college to study how to become a teacher or go to a trade school to become a carpenter. People have the right to choose their future careers. If they want to work part time rather than full time and businesses want to hire them, they both have the right to do so.
3. Divide the class into four groups and assign each one an economic freedom.
 4. Instruct each group to create a poster that interprets one of the economic freedoms of a free enterprise economy. (You can assign the topics or allow the groups to choose.)
 5. Each poster should have:
 - A title (this can be the name of the economic freedom).
 - At least two visual representations of the freedom.
 - The signatures of the citizens doing the work.
 6. Groups may divide the work into specific jobs, such as planner, painter, letterer, and supply officer. Emphasize that they should demonstrate teamwork and good citizenship.
 7. When groups have completed their work, or at the end of 30 minutes, groups should display their posters. Use these to review economic freedoms.

EXTENSION ACTIVITY 2 | 15 minutes

Family Resources

CCSS LA 4/5 RI 7; NCSS VII.a

MATERIALS

☐ Resource
CE-2E, **Family
Cards** (cut along
dotted lines)



☐ **Money Cards**
(kit, cut along
the dotted lines)



☐ Illustration
CE-2F, **Do You
Have Enough?**

☐ Three places or
containers for
Money Cards
(this can be
as simple as
labeling sheets
of paper “Food,”
“Clothing,”
“Shelter”)

In this activity, citizens will have to make tough decisions about their resources and make choices on how to spend those resources to meet their family's needs.

1. Remind citizens there are limited resources in the world, and people can't have everything they want (i.e., scarcity). When people make a decision about the way they live, work, trade, or share, they give up something else. This decision to give up something in exchange for something else is called **opportunity cost**. Share the following examples:
 - If the Washington's decide to live in an expensive house, then the family must give up something else, perhaps a nicer car or a yearly vacation.
 - If Ramon and Eduardo decide to spend their free time playing soccer, then they must give up another activity, such as playing video games.
 - If the Kims donate \$1,000 to a nonprofit organization, the family is giving up \$1,000 worth of goods or services it could have bought.
2. Explain that when individuals, families, businesses, and governments make decisions, there are opportunity costs.
3. Divide the class into eight groups of two to four citizens each. Give each group a card from Pages 41–42, Resource CE-2E, **Family Cards**, and give each group one **Money Card** from the kit for each of their assigned family's resource units.

Vocabulary

Opportunity cost

The value of the next best alternative that is given up when a choice is made.

- Point out that each family has a certain number of resource units listed at the top of the card and one **Money Card** for each resource unit. Each family needs to provide every member with a minimum of one unit of food, one unit of clothing, and one unit of shelter.
 - Explain that the citizens have 2 minutes to read their cards and decide how much food, clothing, and shelter they will purchase for their family.
 - They also will need to choose a speaker for their family and someone to handle the resources.
4. At the end of the 2 minutes, project or display Page 43, Illustration CE-2F, **Do You Have Enough?** Record the information as each family's speaker reads from his or her group's **Family Card** and reports the number of resource units the family has. (The answer key is on Page 44.) The person handling resources for the family will announce how the group decided to spend those resources and will then place the appropriate number of **Money Cards** in each container.
 5. When each group has reported, ask the citizens if they see any problems or issues with the results. (Some families have a lot; some have very little.) Discuss the difficult decisions some families had to make. (Some families had to decide whether members would have little of food or clothing.)
 6. Explain that scarce or limited resources can lead to hard choices and that there is an opportunity cost associated with the decisions made.
 7. People can help one another by donating to organizations that help those who cannot pay for all their needs. We will learn more about these organizations in another lesson.

Simulation Connection

At *JA BizTown*, citizens can donate money to organizations that help people who do not have enough resources to meet their needs.

FAMILY CARDS

Trevino Family – 2 resource units

Ellen Trevino, 75, lives in an apartment that she rents. Ellen tries to live on the Social Security payments that she receives from the U.S. government and on her savings, but it is always a struggle to pay for the things she needs. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Smithson Family – 7 resource units

Kira has a steady job as an assembler at a local appliance factory. Her employer provides health care and day care. She earns enough so that she and her baby have the basics but not many extras. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Rodriguez Family – 10 resource units

Manuel is a mechanic at a service station. His wife stays home with their 3-year-old son, Antonio. Manuel's skills are good, so he earns an average income. That's good because Antonio is always outgrowing his clothes! Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Ford Family – 8 resource units

Ron and Nancy's children are grown and no longer live at home. The two were looking forward to retirement, but bad luck hit recently when their home burned down, and insurance wasn't enough to cover everything. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

FAMILY CARDS

Zhao Family – 24 resource units

Chen and Jin have good banking jobs and earn good incomes. They have three daughters—Lian, Mulan, and Xin. Last year, they visited their relatives in Xian, China. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Davila Family – 14 resource units

Lucita has an excellent job as a computer programmer. She lives in a nice house in the suburbs with her two sons, Ramon and Eduardo. The boys spend a lot of time practicing soccer and competing in tournaments. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Kovac Family – 30 resource units

Alen and Jasmina Kovac came to the United States from Bosnia. After they became citizens, they opened a Bosnian restaurant. Business has been excellent. Their two teenagers help them in the evenings and on weekends. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

Johnson Family – 10 resource units

Leonard lost his job when his factory closed. He and his wife, Meg, live in a rural area where there aren't many job opportunities. They can only find part-time work. They worry about taking care of their three children. Decide how much food, clothing, and shelter this family will receive.

_____ units of food _____ units of clothing _____ units of shelter

DO YOU HAVE ENOUGH?

Listen to the stories of the eight families. Record the number of people in the family, its resource units, and how those units were allotted for food, clothing, and shelter.

1. The Trevino family has _____ family member with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
2. The Smithson family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
3. The Rodriguez family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
4. The Ford family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
5. The Zhao family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
6. The Davila family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
7. The Kovac family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
8. The Johnson family has _____ family members with _____ resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.

DO YOU HAVE ENOUGH?

Listen to the stories of the eight families. Record the number of people in the family, its resource units, and how those units were allotted for food, clothing, and shelter.

1. The Trevino family has 1 family member with 2 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
2. The Smithson family has 2 family members with 7 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
3. The Rodriguez family has 3 family members with 10 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
4. The Ford family has 2 family members with 8 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
5. The Zhao family has 5 family members with 24 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
6. The Davila family has 3 family members with 14 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
7. The Kovac family has 4 family members with 30 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.
8. The Johnson family has 5 family members with 10 resource units.
The family bought _____ food, _____ clothing, and _____ shelter units.

COMMUNITY AND ECONOMY

Lesson 3: Public Goods and Services

LESSON CONCEPTS

With a basic understanding of how the economy works and what the free enterprise system is, citizens are now ready for a lesson about public goods and services and how both are paid for by taxes. This lesson teaches the citizens that taxes are paid by both businesses and individuals to provide for things like libraries, schools, and other public services.

INQUIRY: What are taxes, and what do they pay for?

LEARNING OBJECTIVES

Citizens will:

- Explain why people pay taxes.
- Define gross pay and net pay.
- Calculate tax by multiplying with decimals.
- Differentiate between public goods and services and private goods and services.
- State examples of philanthropy.

MATERIALS

☐ Citizen Guides



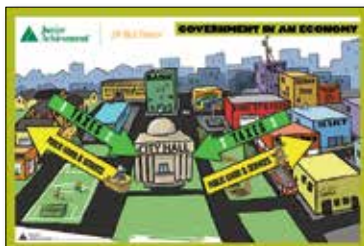
☐ Illustration CE-3A, Payday



☐ Illustration CE-3B, Venn Diagram



☐ Government in an Economy Poster (kit; display before lesson begins)



SETTING THE STAGE | 5 minutes

- Review the circular flow of an economy (goods, services, resources, and money). Ask for volunteers to offer examples of goods and services.
- Ask who pays for the goods and services we use.
(Answers will vary but may include: we do, my mother does, my father does...)
- Ask citizens to think about services that everyone has the right to use. Tell them some examples include schools, public parks, roads, and fire protection.
- These types of services are called public goods and services. Today's activity will help citizens understand how a town pays for such services.

ACTIVITY | 15 minutes**Paying Taxes**

CCSS Math 5 NF 2; 4 NF 3.d

1. Congratulate your citizens for being hard workers and inform them that you would like to pay them for their efforts. They can see a graphic display of their earnings in their **Citizen Guides**, Page 34, **Payday**. You can project or display Page 49, Illustration CE-3A, **Payday**. (The answer key is on Page 50.)
2. Ask what each \$ symbol represents. It is one dollar. Ask someone to tell you the value of their earnings. (\$50.00)
3. Congratulate them again, saying, “That is a lot of money! But remember, when you earn \$50.00, it doesn’t mean you have \$50.00 to spend.”
4. Tell citizens that 12 percent of the \$50.00 must be used to help pay for expenses at school, such as buses, electricity, textbooks, and teacher salaries. Twelve percent of 50 is 6. Have the workers cross out six dollar symbols.
5. Model the math on the board and have the citizens write the problems at the bottom of their page. $50/50 - 6/50 = 44/50$.
6. Say, “Thank you. This money will help pay the teachers here at school and provide for the electricity and supplies for everyone.”
7. Ask someone to tell you how much they have now. (\$44.00) They have 44 out of the 50 they started with. But wait! Ten percent needs to be spent to keep them safe at school. Ten percent of 50 is 5. Have citizens cross out five more dollar signs to pay the policemen and firemen.
8. Model the math on the board and have citizens write the problems on the bottom of the page. $44/50 - 5/50 = 39/50$. Ask citizens how much they have now. (\$39.00)

OPTION

To shorten this activity, use it as a demonstration only. Pay out play money or pennies to just one citizen, rather than having the whole class do the math and cross out the dollars.

Vocabulary

Gross pay

The amount of money an employee earns before any taxes or other deductions are subtracted.

Net pay

The amount of money an employee receives after taxes and other deductions are taken from a paycheck.

Taxes

Payments that citizens and businesses are required to make to a government to pay for goods and services.

9. Announce that before they can spend their money, there is one more amount that must be deducted. They must take out 8 percent to help pay for older people's retirement and for insurance in case workers become unemployed. Eight percent of 50 is 4. Model the math and have them write their problems again. $39/50 - 4/50 = 35/50$. They have \$35 remaining from their original \$50.00.
10. Model the math to show them how to find the percent deducted. $6/50 + 5/50 + 4/50 = 15/50$. 15 divided by 50 is .30. A total of 30 percent of their pay was subtracted.
11. Ask citizens if they can guess what the money that was subtracted from their pay is called. It is called **taxes**, which are payments that most citizens and businesses are required to make to a government to pay for goods and services.
12. The money they earned before taxes is called **gross pay**. The money left after taxes were paid is called **net pay**.
13. Inform the citizens that when they go to *JA BizTown*, they will receive two paychecks. A modest tax of 2 percent will be deducted from each paycheck. They will record their net pay in their transaction register at *JA BizTown*.

Sixth-Grade Variance

Demonstrate the calculation of the percentages as follows:

$$.12 \times 50 = 6.00 \quad 50 - 6 = 44$$

$$.10 \times 50 = 5.00 \quad 44 - 5 = 39$$

$$.08 \times 50 = 4.00 \quad 39 - 4 = 35$$

$35/50$ is .70 70 percent of gross pay remains. This is net pay.

The total tax taken out can be calculated by adding the three amounts deducted: $6 + 5 + 4 = 15$ $15/50$ is .30.

A 30 percent tax was deducted from the gross pay.



PAYDAY

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

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\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

Do the Math



PAYDAY



Do the Math

$$.12 \times 50 = 6.00$$

$$50/50 - 6/50 = 44/50$$

$$.10 \times 50 = 5.00$$

$$44/50 - 5/50 = 39/50$$

$$.08 \times 50 = 4.00$$

$$39/50 - 4/50 = 35/50$$

$$6/50 + 5/50 + 4/50 = 15/50$$

$$15/50 = .30 \quad 30\%$$

$$35/50 = .70 \quad 70\%$$

INSTRUCTION | 15 minutes**Where Do the Taxes Go?**

NCSS III.g; VII.c
CCSS LA 4/5 W 2.e; 6 W 2.a

1. Display or project the **Government in an Economy Poster** (kit) before the lesson begins.
2. Remind citizens that in a free enterprise system, businesses sell goods and services to people. They are selling **private goods and services**—goods and services that have a price, which restricts some people from getting them.
3. Inform citizens that in some cases, they can receive goods and services that they cannot pay for because of the generosity of others. When citizens give of their own resources to help others in need or to increase the well-being of others, it is called **philanthropy**. Philanthropists often contribute things like parks, hospital wings, and libraries for public use.

FIND OUT MORE about Philanthropy. Check out Page 63, Extension Activity 1, **Philanthropy**.

4. Explain that some goods and services in an economy have special characteristics.
 - They are shared by everyone—often at the same time.
 - No one is prevented from using the goods and services.
 - These goods and services must be paid for by everyone's taxes.
5. Goods and services that everyone can use and everyone helps pay for are called **public goods and services**.

OPTION

For a more active approach to teaching the concept of public/private goods and services, see Page 59, Application Activity 2, **Public and Private Goods and Services**.

Vocabulary**Philanthropy**

The effort to increase the well-being of people through charitable giving.

Private goods and services

Merchandise and skills offered for a price.

Public goods and services

Goods and services provided by a government for the use of all people.

Vocabulary

Democracy

A form of government in which ultimate power lies with the people, who exercise that power directly or through elected representatives.

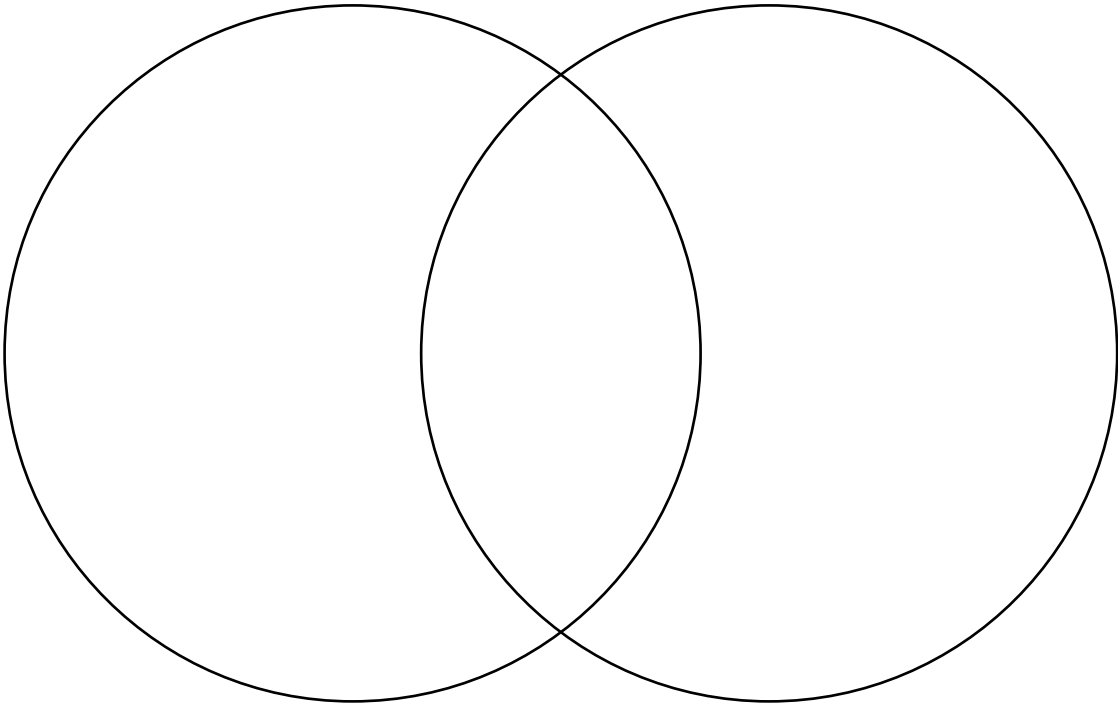
6. Ask citizens to turn to their **Citizen Guides**, Page 35, **Venn Diagram**. Project or display Page 53, Illustration CE-3B, **Venn Diagram**. (The answer key is on Page 54.)
7. Have citizens think of and list as many goods and services as they can in 5 minutes, differentiating between public and private goods and services using the characteristics explained on the previous page. You may want to do a little brainstorming on the board before you set them to this task.
8. Explain that there are some goods and services that can either be public or private, such as schools. (These goods and services can also be provided by philanthropy.) Write those in the space where the circles overlap.
9. Allow time for the citizens to create their Venn diagrams, working in pairs or small groups. Ask them to think of and list things in their daily lives that would fit into one of the three categories.
10. Citizens should provide a concluding statement related to the information presented, such as, "Most items on the public side are services, and most of the items on the private side are goods."
11. When 10 minutes have passed or citizens have mostly finished, emphasize to the class that all of the public goods and services are provided by government. In a **democracy**, citizens elect the leaders of government. One of the jobs of elected leaders is to decide how much is spent on public goods and services.
12. Ask where government gets the money to pay for the resources. (taxes) Remind citizens that taxes are required payments to government to pay for public goods and services.



VENN DIAGRAM

Public Goods and Services

Private Goods and Services

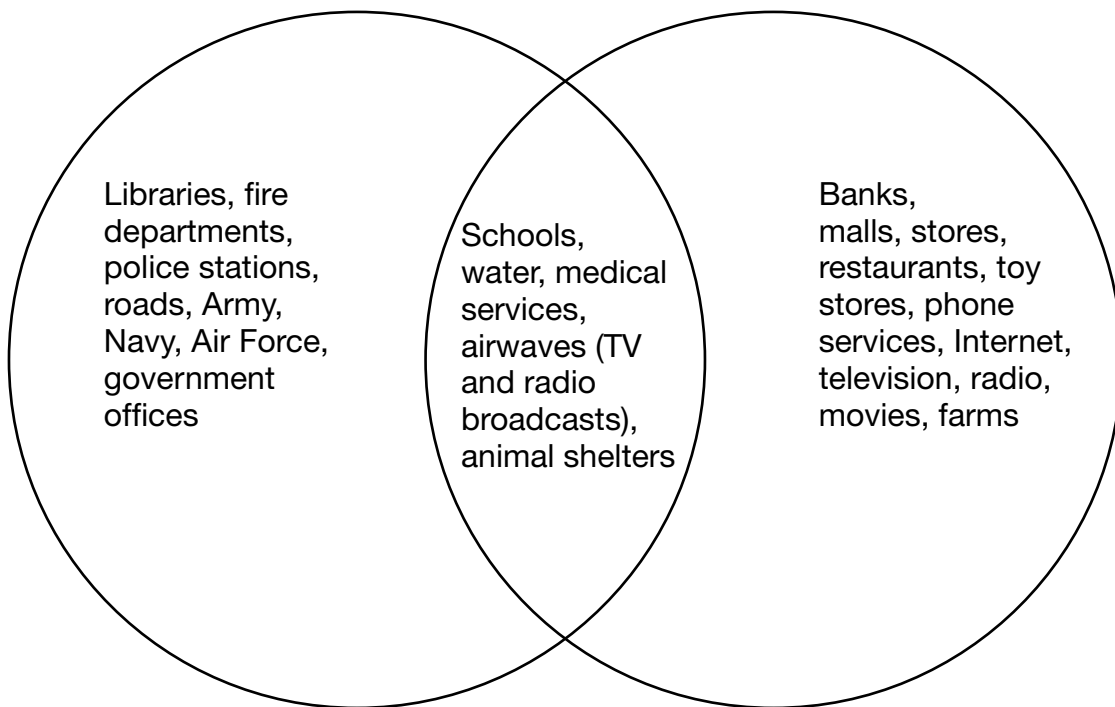




VENN DIAGRAM

Public Goods and Services

Private Goods and Services



SUMMING IT UP | 10 minutes

Ask for volunteers to give you examples of goods and services.

- What are some examples of public goods and services?
- What are some examples of private goods and services?
- Who pays for private goods and services? (the people who buy them)
- Who pays for public goods and services? (taxpayers—citizens and businesses are taxpayers)
- How does the government pay for public goods and services? (taxes)

Teacher Note

Instruct citizens to remove Page 39, Family Newsletter, from their **Citizen Guides** and take it home. A copy is on Page 72.

OPTION

Choose an application activity to give citizens further practice and to reinforce concepts.

- Application Activity 1 reviews vocabulary and helps explain public goods.
- Application Activity 2 is a more active option to teach the concept of public/private goods and services.
- Extension Activity 1 explores philanthropy by introducing some famous philanthropists.

CHECK IT OUT! DAY SIX

Today's beginning balance: \$20.89

Today, a paycheck in the amount of \$8.82 was direct deposited into your account.

You went to lunch with your friend Natasha at Hot Diggity Dogs and paid \$4.67 with your debit card.

(Ending balance is \$25.04)

APPLICATION ACTIVITY 1 | 10 minutes

Word Search

MATERIALS

- ❑ **Money Cards** (kit; used in Lesson 2)
- ❑ Illustration CE-3C, **Word Search Answer Key**



1. Announce that you have a homework assignment on *JA BizTown* vocabulary words that must be returned tomorrow. The assignment is located in the **Citizen Guide**, Page 36, **Word Search**. (A copy is on Page 57 of this guide.)
2. Give each citizen a **Money Card**. Announce that you have some good news. They may pay for the answers to the word search. However, instead of paying for answers, they can keep their **Money Card** to use later.
3. Collect the **Money Cards** from the citizens who have chosen to pay for the answers.
4. Announce that you will now provide the answers to the homework. Display Page 58, Illustration CE-3C, **Word Search Answer Key**, for the entire class. Some citizens may complain it isn't fair that others who did not pay for the answers get to see them anyway. Simply indicate you understand their frustration, but you have no choice because the answers were in the Teacher Guide, which is used to teach all citizens. (If students don't speak up, initiate the discussion.) Explain that like the answer key, some goods and services in an economy have special characteristics.
 - They are shared by everyone—sometimes at the same time. The entire class saw the illustration with the answers at the same time.
 - No one is prevented from using the goods and services provided by the government, just as no one was prevented from using the answers in the Teacher Guide.



WORD SEARCH

V	E	G	O	O	D	Z	C	I	T	I	Z	E	N	S
R	X	S	E	R	V	I	C	E	N	J	C	D	Y	H
Q	E	H	T	S	S	M	Y	M	O	N	O	C	E	A
C	S	S	E	N	I	S	U	B	L	K	V	E	A	R
F	H	Q	P	T	Y	E	N	O	M	G	L	C	W	E
I	N	I	M	O	F	W	S	D	P	U	A	R	O	V
X	R	F	K	S	N	H	U	M	A	N	R	U	L	V
G	Y	S	E	L	X	S	Q	F	R	K	U	O	F	N
L	C	O	M	M	U	N	I	T	Y	M	T	S	E	B
S	A	V	E	Z	B	Y	L	B	M	F	A	E	D	L
J	L	T	T	I	F	O	R	P	I	F	N	R	A	F
D	W	Y	I	S	C	I	R	C	U	L	A	R	R	Z
J	X	A	O	P	M	A	R	K	E	T	I	C	T	M
J	E	T	Z	Y	A	O	G	R	L	I	K	T	I	G
D	W	B	C	Q	M	C	E	L	P	O	E	P	Y	O

COMMUNITY
ECONOMY
RESOURCE
CITIZEN
GOOD
SERVICE
CIRCULAR

FLOW
MONEY
BUSINESS
PROFIT
TRADE
RESPONSIBILITY
CAPITAL

MARKET
HUMAN
NATURAL
PEOPLE
SHARE



WORD SEARCH

V E G O O D Z C I T I Z E N S
 R X S E R V I C E N J C D Y H
 Q E H T S S M Y M O N O C E A
 C S S E N I S U B L K V E A R
 F H Q P T Y E N O M G L C W E
 I N I M O F W S D P U A R O V
 X R F K S N H U M A N R U L V
 G Y S E L X S Q F R K U O F N
 L C O M M U N I T Y M T S E B
 S A V E Z B Y L B M F A E D L
 J L T T I F O R P I F N R A F
 D W Y I S C I R C U L A R R Z
 J X A O P M A R K E T I C T M
 J E T Z Y A O G R L I K T I G
 D W B C Q M C E L P O E P Y O

COMMUNITY
 ECONOMY
 RESOURCE
 CITIZEN
 GOOD
 SERVICE
 CIRCULAR

FLOW
 MONEY
 BUSINESS
 PROFIT
 TRADE
 RESPONSIBILITY
 CAPITAL

MARKET
 HUMAN
 NATURAL
 PEOPLE
 SHARE

APPLICATION ACTIVITY 2 | 15 minutes

Public and Private Goods and Services CCSS LA 4/5 RI 7

MATERIALS

- ☐ Illustration CE-3D, **Public and Private Goods and Services**
- ☐ **Citizen Guides**
- ☐ **Government in an Economy Poster** (kit)



Working in pairs, citizens will use a chart to decide which goods and services in their classroom have characteristics like those of public and private goods and services. Display or project the **Government in an Economy Poster** before the lesson begins.

1. Remind citizens that in a free enterprise system, businesses sell goods and services to people. They are selling private goods and services—goods and services that have a price, which restricts some people from getting them.
2. Explain that some goods and services in an economy have special attributes.
 - They are shared by everyone—often at the same time.
 - No one is prevented from using the goods and services.
 - These goods and services must be paid for by everyone's taxes.
3. Goods and services that everyone can use and everyone helps pay for are called public goods and services. They are usually provided by governments because everyone needs to use them and they are of high value. A streetlight is a good example. Everyone in the vicinity of a streetlight benefits. No one is prevented from using it. No one pays for it directly; you don't see coin boxes on streetlights. Streetlights are funded by taxes paid to a government.
4. Tell your citizens that they are going to use the attributes of public and private goods and services to find things in the classroom that have those same attributes. Have them turn in their **Citizen Guides** to Page 37, **Public and Private Goods and Services**. (A copy is on Page 61.)
 - Public goods are those purchased by the classroom's government for all to use.
 - Private goods are those that citizens purchase for their own use.

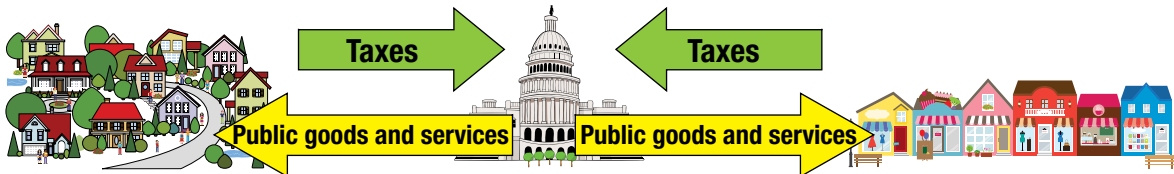
Teacher Note

Many goods in classrooms are in limited supply but still shared by all. There may only be one computer that all students use, but not all can use it at the same time.

Many goods and services in a classroom are also provided by the generosity of others. If your class has recently had a fund drive or received a contribution, you may want to mention philanthropy as a way for people to receive the things they want and need but cannot afford.

5. Working with a partner, citizens will move about the room for 5 minutes, categorizing the items with the help of the rubric on the **Citizen Guide** page 37.
6. At the end of the 5 minutes, display Page 61, Illustration CE-3D, **Public and Private Goods and Services**, or make a list on the board.
 - Have each pair count the number of items they listed.
 - Beginning with the team that listed the most items, teams will read through their lists aloud while you write down the items.
 - All teams will cross out any duplicate answers or any that did not correspond to the right category. You should cross out the repeated items on your copy as well.
 - The team with the most original answers is the winner. (The answer key is on Page 62.)
7. Using the poster, review that people pay taxes to governments, and governments use those funds to provide goods and services for all to use.

Name _____

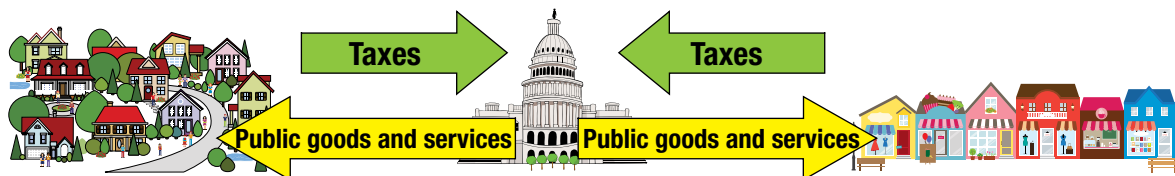


example: backpack



PUBLIC AND PRIVATE GOODS AND SERVICES

Name _____



Use the chart to take an inventory of items in your classroom. List the items that have attributes of Public Goods and Services or Private Goods and Services in the appropriate column.

Public Goods and Services

- Shared by everyone (often at the same time).
- No one is prevented from using them.
- Paid for by taxes.

example: clock

information on whiteboard

lights

PE equipment

tables

bins

math manipulatives

heating/air conditioning in the room

PA system

windows

Private Goods and Services

- Can be owned by one person or several people.
- Must be paid for by consumer.

example: backpack

shoes/coats

lunches

binder

paper and pens

calculator

pencil case

EXTENSION ACTIVITY 1 | 20 minutes

Philanthropy

CCSS LA 4/5 RI 3; LA 4/5 RF 4.c

MATERIALS

- ❑ Resource CE-3E, **Philanthropists**

In this activity, groups of citizens will read biographies about noteworthy philanthropists and discover how they gave of themselves to help others. The resource can either be copied for each citizen or group of citizens or read aloud by the teacher. Consider giving each group just one page of biographies.

1. Explain that philanthropy is a way of sharing. People help others by giving different kinds of things we call the three W's: wealth (giving money), work (volunteering to help), and wisdom (giving others the advantage of their knowledge).
2. Philanthropy can come from individuals, called philanthropists, or from groups, usually **foundations** or **nonprofit organizations**.
 - A foundation is supported by donated funds from a family, an individual, or a corporation.
 - A nonprofit is an organization developed to increase the well-being of others but does not seek a profit from doing so.
 - Ask citizens for examples of times when they or their families contributed their wealth, work, or wisdom to help others.
3. Explain that Junior Achievement (JA) is a nonprofit organization that empowers young people to own their economic success.
 - JA is an organization that promotes education about business, economics, and free enterprise.
 - JA teaches youth about important principles associated with three main areas: work readiness, entrepreneurship, and financial literacy.
 - People and businesses donate money to JA (wealth) and teach JA classes (work and wisdom).
 - JA and other nonprofits are an important part of a free enterprise economy.

Teacher Note

The nature of this activity lends itself to adding local philanthropists or individuals from your social studies curriculum as examples.

Vocabulary

Foundation

A nonprofit organization supported by donated funds whose purpose is giving money for charitable causes.

Nonprofit organization

An organization created to increase the well-being of others in certain areas, such as education, religion, health, and other causes.

Citizen Alert!

Social philanthropists support programs that deal with broad social change, such as eliminating disease and cleaning the environment.



4. Divide citizens into four groups and give each group the Philanthropists pages. Citizens in each group will read the biographies and decide whether the person's donation can be classified as a contribution of work, wisdom, or wealth.
 - Have citizens invent a symbol for each kind of contribution, or write the words *work*, *wisdom*, or *wealth* next to the philanthropist's name.
5. Debrief the activity by reading through the names of the philanthropists and making sure their contributions were properly defined by the citizens, or allow each group to report about their philanthropists. (Answer key is on Page 71.)
6. Ask if any of the citizens were familiar with these people. Did they know they were philanthropists? Most of these people did not set out with the idea of becoming a philanthropist, but they saw a need and met that need with their resources.

Fourth-Grade Variance

CCSS LA 4 SL 2

Read each of the biographies to the citizens and have them use hand signs to indicate in which category the philanthropist belongs: work, wisdom, or wealth.



Work



Wisdom



Wealth

Sixth-Grade Variance

CCSS LA 6 W 2

Assign a philanthropist from this list, or a well-known local figure, or individuals from your social studies curriculum who are known for their philanthropic activities. Using books or Internet research, have citizens prepare a brief (one paragraph) biography of the person.

PHILANTHROPISTS

Andrew Carnegie—Libraries

Between 1875 and 1901, Andrew Carnegie earned a lot of money in the steel industry. He used some of that money to fund the building of nearly 3,000 libraries around the world. Before he would build a library for a town, though, he required the residents to show the need for one. They also had to provide the building site and show they could afford to keep the library open. Many women's groups across the nation and in other countries led book drives and fundraising efforts to bring libraries to their communities.

Alicia Keys—Keep a Child Alive

In September of 2014, entertainer Alicia Keys launched We Are Here, a movement that empowers the global community concerning issues and initiatives to build a better world where all people are heard, respected, and treated with dignity. Alicia Keys is co-founder of Keep a Child Alive (KCA) a non-profit organization that partners with grass-roots organizations to combat the physical, social, and economic impact of HIV on children, their families and communities in Africa and India.

Oprah Winfrey—Leadership Academy

Through her private charity, talk show pioneer, actress, and entrepreneur Oprah Winfrey has awarded hundreds of grants to organizations that support the education and empowerment of women, children, and families in the United States and around the world. Amongst her various philanthropic contributions, she has donated millions of dollars toward providing a better education to children with merit but no means. The Oprah Winfrey Leadership Academy Foundation provides support for a leadership academy for girls in South Africa. Oprah's vision is to help develop the future women leaders of South Africa.

PHILANTHROPISTS

Milton S. Hershey—The Hershey’s Company

Milton Hersey founded the Hershey Chocolate Company in 1894. With little formal education, Hershey used his wits and instincts to become a successful entrepreneur, mass-producing a unique recipe for milk chocolate to create Hershey bars and “kisses” at affordable prices. To extend his legacy beyond the company he founded, Hersey created financial trusts to help fund civic centers, cultural activities, a school for underprivileged boys and girls, and a sports arena in his hometown now known as Hershey, Pennsylvania. Another institution initially funded by the Hershey legacy is the Penn State Milton S. Hershey Medical Center. The Center offers advanced medical services and trains students to become doctors, nurses, and medical professionals.

Walt Disney—California Institute of the Arts

The California Institute of the Arts was founded by Walt Disney in the early 1960s. Disney, a cartoonist and theme park builder, contributed the money to build the school. It was the first college in the United States to grant degrees in both visual and performing arts. Disney’s dream was to provide a school where artists and musicians could come together to share a wide range of artistic expression. To be accepted into the school, students must show creative talent and motivation to succeed.

Mother Teresa—Missionaries of Charity

Mother Teresa, also known as Saint Teresa of Calcutta, was born in 1910 in Macedonia. Later in life she became a Catholic nun and taught others to give “wholehearted and free service to the poorest of the poor.” She started soup kitchens, counseling programs, orphanages, and schools in the poorest neighborhoods of India. Mother Teresa started the foundation The Missionaries of Charity, which continues to run homes and hospices for those sick and dying. Mother Teresa received the Nobel Peace Prize in 1979.

PHILANTHROPISTS

Paul Rusesabagina—Rwanda

In 1994, in Rwanda, Africa, a rebel group began to kill members of an opposing tribe. Paul Rusesabagina, a hotel manager, helped to hide and house 1,268 refugees who would otherwise have been killed. Mr. Rusesabagina used his position within the hotel to protect his neighbors and their families during rebel attacks and get them to safety outside the country. He was an ordinary man who showed great courage and did what was right during a terrifying time when at least 800,000 people were killed.

John Muir—Sierra Club

John Muir sailed to San Francisco in 1868 as a young man looking for work. He began traveling throughout the state of California and fell in love with the beauty of the mountains. He wrote about the splendor of the Sierra Nevada and encouraged Congress to protect the mountain range. In 1892, he and some friends founded the Sierra Club, which has become one of the most important conservation groups in the United States. Muir wrote essays and books and encouraged others to preserve wilderness areas.

Henry and Edsel Ford—Ford Foundation

Henry Ford founded the Ford Motor Company in 1903. He created the first mass-produced car in 1908; invented the first moving assembly line in 1913; and in 1914 more than doubled the wages of his workers to \$5 a day. Some experts have said he helped create America's middle class by paying his workers a fair wage. The Ford Foundation was started in 1936 by his son, Edsel, to make sure some funds from the company were set aside for public welfare. The Ford Foundation contributed to public broadcasting to help produce the popular children's TV show *Sesame Street*.

PHILANTHROPISTS

Maya Angelou—Poet

Maya Angelou was an African-American poet and author who performed in dance, theater, movies, and television. The books and poetry she wrote have helped people understand each other. She encouraged people to look past race and other divisions. She traveled around the world spreading her gift of writing and her message of civil rights for all.

Irena Sendler—Zegota

During World War II in Poland, the Nazis forced Jewish families into a small area called the Warsaw Ghetto. There, they either starved to death or were killed. Irena Sendler, 34, was a social worker whose heart went out to the Jewish children. Knowing that they would die if nothing was done, Sendler and other members of a group called Zegota rescued the children and snuck them out of the city. They found families to adopt them. Sendler kept the names of all the children's new families buried in jars under an apple tree so that if any of their real families survived, the children could be reunited with them.

Isaac Newton—Scientist

Isaac Newton spent the years between 1661 and 1696 at the University of Cambridge, in England, studying and teaching. He is best known for the theory of gravity, but he also did experiments in optics and chemistry. He researched math, religion, and history. Newton wrote books that showed how the world worked according to mathematical laws. He dedicated his life to helping others better understand the universe.

PHILANTHROPISTS

William Wilberforce—Abolitionist

William Wilberforce was an English politician. He believed that slavery was wrong and led a movement to end the slave trade. For 26 years, he proposed bills and wrote essays against slavery. Finally, the British Parliament passed the Slave Trade Act of 1807. This law ended the selling of slaves in the British Empire. Wilberforce continued to work to make sure the laws were enforced and that the practice of slavery ended in his country.

Bill Gates—Bill and Melinda Gates Foundation

Computer pioneer Bill Gates and his wife, Melinda, began their foundation in 1994. Each year, the foundation donates up to \$1.5 billion to fund projects to end poverty and diseases around the world. The Gates' goal is to remove barriers, such as sickness and poverty, that prevent people from making the most of their lives. The foundation also grants money to improve education in the United States and to help schools gain access to information technology.

Nelson Mandela—Anti-Apartheid Activist

Nelson Mandela was born in South Africa in 1918. As he grew up and became educated, he began to speak out for the rights of South African blacks, who were mistreated in their own country. Mandela was imprisoned for 27 years for his beliefs and actions. He earned a law degree while in prison, and when he was finally released, he became the first black president of South Africa. The laws he passed helped the poor, sick, and abused in his country. When Mandela retired as president, he began to write books about freedom. Mandela also brought together world leaders to discuss common problems among nations and promote democracy and peace. He was awarded the Nobel Peace Prize in 1993.

PHILANTHROPISTS

Jane Addams—Hull House

The first settlement house in the United States was opened by Jane Addams in Chicago, Illinois, in 1889. The purpose of the house was to improve the lives of poor families in the inner city. This was accomplished by inviting wealthy people to live among them and help them. The Hull House provided services such as day care, education, and health care. Addams and other volunteers lived in the house and helped the women who lived there. Addams was the first female president of the National Conference of Social Work. She also served as president of the Women's International League for Peace and Freedom.

George Washington Carver—Botanist

George Washington Carver was born a slave in 1864. Despite the hardships he endured, Carver was determined to earn a college degree. Eventually he became a scientist, botanist, educator, and inventor and went on to teach at a college for African-Americans. Carver did research with soil and plants. He used his knowledge to show Southern farmers how to put nutrients back into their overworked soil. The farmers were so successful growing peanuts and sweet potatoes that Carver spent the next few years working in the lab to find uses for all the food. He invented hundreds of products that used the peanut, including peanut butter and a form of plastic.



PHILANTHROPISTS

Wealth Contributors

Andrew Carnegie—Libraries

Walt Disney—California Institute of the Arts

Henry and Edsel Ford—Ford Foundation

Alicia Keys—Non-Profit Organization

Bill Gates—Bill and Melinda Gates Foundation

Milton S. Hershey—Financial Trusts

Oprah Winfrey—Leadership Academy Foundation

Work Contributors

Mother Teresa—Missionaries of Charity

Paul Rusesabagina—Rwanda

Irena Sendler—Zegota

William Wilberforce—Abolitionist (or Wisdom)

Jane Adams—Hull House

Wisdom Contributors

John Muir—Sierra Club (or Work)

Maya Angelou—Poet

Isaac Newton—Scientist

Nelson Mandela—Anti-Apartheid Activist (or Work)

George Washington Carver—Botanist

A FAMILY NEWSLETTER

COMMUNITY AND ECONOMY

Your child just completed the Community and Economy unit of *JA BizTown*'s curriculum. The goal with experiential-learning programs such as *JA BizTown* is to help students see how classroom learning relates to real-world events. You are encouraged to further strengthen these lessons by having a conversation with your child about the BizTalk prompts listed below.

Students learned how people are members of a community in which they live, work, trade, and share. They took a pledge to become citizens of *JA BizTown*, and that oath required an understanding of the rights and responsibilities of citizenship.

JA BizTown citizens tackled the “circular flow of economic activity” as they examined the movements of goods, services, resources (human, natural, and capital), and money between people and businesses. This concept will be revisited several times over the next few weeks. Further, when citizens visit *JA BizTown*, they will become an integral part of that cycle as they operate their businesses and become consumers who purchase products in the simulated community.

Through a series of classroom exercises, students recognized that resources are scarce and that people cannot have everything they want. Decisions must be made about what to produce, how to produce, and for whom to produce. Students also learned that governments play an important role in an economy by providing public goods and services, paid for by taxes. They explored how philanthropic activities and nonprofits increase the well-being of people through charitable giving. Students learned that when people share their “three W’s”—work, wealth, and wisdom—communities are greatly enhanced.

BizTalk!

Ask about citizens' rights and responsibilities in a community. Offer some “home” examples.

BizTalk!

Ask your child about the products the class created using limited resources.

COMMUNITY AND ECONOMY

Teacher References

COMMUNITY AND ECONOMY ASSESSMENT

Section One: Circle the answer or answers that best apply to the question.

1. Which best describes the circular flow of an economy?
 - a. the flow between businesses and resources
 - b. the exchange of money, goods, and services in an economy
 - c. happens only in a resource market
 - d. happens only in a goods and services market
2. Which is **not** true of public goods and services?
 - a. shared by everyone—sometimes at the same time
 - b. only given to the needy
 - c. no one is prevented from using them
 - d. are paid for by taxes
3. Which of the following is **not** a basic economic question?
 - a. what to produce?
 - b. how much profit will be made?
 - c. how to produce?
 - d. for whom to produce?
4. Who pays for public goods and services?
 - a. philanthropists
 - b. taxpayers
 - c. only people who use them
 - d. government

Section Two: True or False?

5. A free enterprise economy is a system in which economic decisions are made in markets by consumers and businesses. T F
6. Due to scarcity, people cannot have all of the things they want. T F
7. Businesses produce goods and services for citizens, who in turn supply labor and other resources to the businesses. T F
8. Resources are the goods people buy from business. T F

COMMUNITY AND ECONOMY ASSESSMENT (continued)

Section Three: Fill in the blanks.

9. What are the three types of resources? _____

10. The merchandise, skills, and knowledge offered for sale by businesses or citizens are called _____

_____.

11. Payments that citizens are required to make to government are called _____

_____.

12. In a free enterprise economy, _____ make the decisions about what they will sell.

13. The exchange of goods and services is called _____.

14. Give one example of a citizen's responsibility to his or her community.

_____.

15. Why do people and businesses pay taxes?

_____.

COMMUNITY AND ECONOMY ASSESSMENT

Section One: Circle the answer or answers that best apply to the question.

1. Which best describes the circular flow of an economy?
 - a. the flow between businesses and resources
 - ☒ b. the exchange of money, goods, and services in an economy
 - c. happens only in a resource market
 - d. happens only in a goods and services market

2. Which is **not** true of public goods and services?
 - a. shared by everyone—sometimes at the same time
 - ☒ b. only given to the needy
 - c. no one is prevented from using them
 - d. are paid for by taxes

3. Which of the following is **not** a basic economic question?

a. what to produce?	c. how to produce?
<input checked="" type="radio"/> b. how much profit will be made?	d. for whom to produce?

4. Who pays for public goods and services?

a. philanthropists	c. only people who use them
<input checked="" type="radio"/> b. taxpayers	d. government

Section Two: True or False?

5. A free enterprise economy is a system in which economic decisions are made in markets by consumers and businesses. ☒ T ☐ F
6. Due to scarcity, people cannot have all of the things they want. ☒ T ☐ F
7. Businesses produce goods and services for citizens, who in turn supply labor and other resources to the businesses. ☒ T ☐ F
8. Resources are the goods people buy from business. T ☒ F

COMMUNITY AND ECONOMY ASSESSMENT (continued)

Section Three: Fill in the blanks.

9. What are the three types of resources? natural resources, human resources, and capital resources

10. The merchandise, skills, and knowledge offered for sale by businesses or citizens are called private goods and services

11. Payments that citizens are required to make to government are called taxes.

12. In a free enterprise economy, businesses make the decisions about what they will sell.

13. The exchange of goods and services is called trade.

14. Give one example of a citizen's responsibility to his or her community.
Answers will vary but may include: voting, obeying laws, paying taxes, respecting other citizens, etc.

15. Why do people and businesses pay taxes?

Answers will vary but may include: to provide things like libraries, schools, and other public services.

COMMON CORE STATE STANDARDS REFERENCES

Lesson 1

NCSS VI.a

Examine the rights and responsibilities of the individual in relation to his or her social group, such as family, peer groups, and school class.

CCSS LA 4/5/6 SL 2

Summarize a written text that is read aloud or information that is presented in diverse media and formats, including visually, quantitatively, and orally.

NCSS VII.g

Explain and demonstrate the role of money in everyday life.

CCSS LA 4/5 SL 3 (Application Activity)

Summarize the points a speaker makes and explain how each claim is supported by reasons and evidence.

CCSS LA 4/5 W 4 (Extension Activity)

Produce clear and coherent writing in which the development and organization are appropriate to task, purpose, and audience.

Lesson 2

CCSS LA 4/5 W 2.d

Use precise language and domain-specific vocabulary to inform about or explain a topic.

NCSS VII.a

Give examples that show how scarcity and choice govern our economic decisions.

NCSS VII.c

Identify examples of private and public goods and services.

NCSS VII.g (Variance)

Explain and demonstrate the role of money in everyday life.

CCSS LA 4/5 W 1.b (Application Activity)

Provide reasons that are supported by facts and details.

Lesson 2 (continued)

CCSS LA 4/5 L 6 (Application Activity)

Acquire and use accurately grade-appropriate general academic and domain-specific words and phrases, including those that signal contrast, addition, and other logical relationships (e.g., however, although, nevertheless, similarly, moreover, in addition).

CCSS LA 4/5 SL 5 (Extension Activity)

Include multimedia components (e.g., graphics, sound) and visual displays in presentations when appropriate to enhance the development of main ideas or themes.

CCSS LA 5 RI 7 (Extension Activity)

Draw on information from print or digital sources, demonstrating the ability to locate an answer to a question quickly or to solve a problem efficiently.

NCSS VII.a (Extension Activity)

Give examples that show how scarcity and choice govern our economic decisions.

Lesson 3

CCSS Math 5 NF 2

Solve word problems involving addition and subtraction of fractions referring to the same whole, including cases of unlike denominators, e.g., by using visual fraction models or equations to represent the problem. Use benchmark fractions and number sense of fractions to estimate mentally and assess the reasonableness of answers. For example, recognize an incorrect result $\frac{2}{5} + \frac{1}{2} = \frac{3}{7}$, by observing that $\frac{3}{7} < \frac{1}{2}$.

CCSS Math 4 NF 3.d

Solve word problems involving addition and subtraction of fractions referring to the same whole and having like denominators, e.g., by using visual fraction models and equations to represent the problem.

NCSS III.g

Describe how people create places that reflect ideas, personality, culture, and wants and needs as they design homes, playgrounds, classrooms, and the like.

NCSS VII.c

Identify examples of private and public goods and services.

CCSS LA 4/5 W 2.e

Provide a concluding statement or section related to the information or explanation presented.

CCSS LA 6 W 2.a

Introduce a topic; organize ideas, concepts, and information, using strategies such as definition, classification, comparison/contrast, and cause/effect; include formatting (e.g., headings), graphics (e.g., charts, tables), and multimedia when useful to aiding comprehension.

CCSS LA 4 RI 7 (Application Activity)

Interpret information presented visually, orally, or quantitatively (e.g., in charts, graphs, diagrams, timelines, animations, or interactive elements on Web pages) and explain how the information contributes to an understanding of the text in which it appears.

CCSS LA 4/5 RI 3 (Extension Activity)

Explain the relationships or interactions between two or more individuals, events, ideas, or concepts in a historical, scientific, or technical text based on specific information in the text.

CCSS LA 4/5 RF 4.c (Extension Activity)

Use context to confirm or self-correct word recognition and understanding, rereading as necessary.

CCSS LA4 SL2 (Variance)

Paraphrase portions of a text read aloud or information presented in diverse media and formats, including visually, quantitatively, and orally.

CCSS LA6 W 2 (Variance)

Write informative/explanatory texts to examine a topic and convey ideas, concepts, and information through the selection, organization, and analysis of relevant content.

COMMUNITY AND ECONOMY VOCABULARY

Lesson 1

Business

A company that sells goods or services.

Capital resources

Things made by people and used to produce goods or offer services—a factory for example.

Circular flow

A model of the movement of goods, services, resources, and money in an economy.

Citizens

Members of a town, city, county, state, or country. Citizens have certain rights and responsibilities.

Civic virtue

Personal habits and attitudes that promote the well-being of a group.

Community

A place where people live, work, and share.

Consumers

People who buy and use goods and services.

Entrepreneur

A person who uses resources to start a business.

Ethics

The standards that help determine what is good, right, and proper.

Free enterprise

A system in which economic decisions are made by people and businesses, with little government influence.

Goods

Things people buy and use.

Human resources

The labor, skills, and abilities of workers.

Natural resources

Things that occur naturally in the world and that are used to make goods or provide services.

Resources

The people and things needed to produce goods and services.

Responsibility

The quality of being dependable.

Right

The freedom to act in a certain way.

Services

Work done for others, such as haircuts or car repairs.

Trade

The exchange of money, goods, and resources in a market economy.

Lesson 2**Opportunity cost**

The value of the next best alternative that is given up when a choice is made.

Producer

A person who creates or supplies goods or services.

Product

A good produced and offered for sale.

Profit

The money that is left over after a business pays all its costs.

Prototype

A model or sample of a product to be produced.

Scarcity

A situation in which people cannot have everything they want because of limited resources.

Lesson 3

Democracy

A form of government in which ultimate power lies with the people, who exercise that power directly or through elected representatives.

Foundation

A nonprofit organization supported by donated funds whose purpose is giving money for charitable causes.

Gross pay

The amount of money an employee earns before any taxes or other deductions are subtracted.

Net pay

The amount of money an employee receives after taxes and other deductions are taken from a paycheck.

Nonprofit organization

An organization developed to increase the well-being of others in certain areas, such as education, religion, health, and other good causes.

Philanthropy

The effort to increase the well-being of people through charitable giving.

Private goods and services

Merchandise and skills offered for a price.

Public goods and services

Goods and services provided by a government for the use of all people.

Taxes

Payments that citizens and businesses are required to make to a government to pay for goods and services.